

Senate Health and Human Services Open Budget Hearings
9:00 a.m. Tuesday, June 7, 2011
Room 116, State Capital

Thank you for the opportunity to appear before you today to discuss shelter care in Iowa.

Shelter care is a child welfare and juvenile justice service that provides temporary, emergency care placement for children in Iowa. The placement is intended to be short term, usually 30 days or less. (NOTE: for our shelter, the average length of stay is 30 days and many are waiting placement to PMIC and Residential care. They have been staying upwards of 5-7 months.) Placements, other than by court order, are limited to 48 to 72 hours, depending on circumstances.

A child may be placed in shelter care for several reasons. The Department of Human Services (DHS) may place the child in a shelter facility in response to a child abuse report, a Juvenile Court may order the placement or placement may occur if a Juvenile Court Officer believes the child has violated a disposition order. Law Enforcement may also place a child in shelter care if the child is believed to be a runaway, has committed a delinquent act, or it is necessary to hold the child for transfer to another jurisdiction. In all cases, the referring agency has determined that for the safety of the children, they need to be removed to a safer environment.

In November 2010, the Legislative Services Agency produced a ***Fiscal Topics*** paper on Shelter Care. One aspect of this article discussed the cost to operate the shelters statewide and the reimbursement rate allowed by the state. For the past three years, the allowable rate is \$139.01. Legislation allows for a maximum of \$92.36 to be reimbursement by the state and the shelter can bill the county of legal settlement for the balance of \$46.65. However, as of the FTE 6/30/2010, the statewide average and cost of shelter care is estimated to be \$167.72. This is **\$28.71** more than the payment cap set in HF 2526, and now proposed in HF 649 for FY 12 and FY 13.

Even though there is a provision for a rate adjustment based on inflation, it has not been applied for the past three years and the cap remains the same for the next two years. At some point in the future, a methodology to allow rates for shelter providers to keep up with inflation and the cost to do business needs to be considered.

The state of Iowa has an obligation to provide for the safety of its children. Yes, the least restrictive means is always sought; however, sometimes removal from the home is the least restrictive for short term stays. The shelter providers enter into a contractual agreement with the state of Iowa to have Emergency Shelter Bed available whenever DHS, Juvenile Court and Law Enforcement believes it is in the best interest of the child. It is only reasonable that we receive reimbursement for our costs.

The Department of Human Services is working with child welfare providers to develop alternatives to shelter placement through the issuance of a Request for Proposals for Child Welfare Emergency Services (ACFS-11-114), which is referenced in HF 649, Section 29.8.a. It authorizes DHS to "...establish contracts based on requirements of the department's request for proposal, bid number ACFS-11-114". This allows for each provider to work with their communities and DHS to determine the best approach to keep children safe. HF 649 originally provided \$7,170,116 to fund the RFP. That has been increased by \$500,000 to \$7,670,116 through amendments in the Senate. Although this amount is still short of the proposals submitted, it will go a long way to keep the children of Iowa safe and maintain them in the communities they reside, as much as possible.

Legislation for FY 12 and the Omnibus Bill support the continuance of exploring alternatives to shelter beds through the Child Welfare Emergency Services (CWES) RFP process. However, it fails to totally recognize that shelter care IS a part of CWES. Let DHS determine the rate for ALL the array of services for CWES through the RFP process. Or, fund shelters at the actual cost it takes to operation and fulfill the contract it entered into with the state of Iowa – to be available to provide emergency shelter care for the children of Iowa.

Thank you again for this opportunity.

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